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S E C R E T SECTION 01 OF 03 DHAKA 002243

SIPDIS

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SUBJECT: LOYALTY AND ACCESS TRUMP TITLES IN INFLUENCING PM

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Classified By: P/E Counselor D.C. McCullough, reasons para 1.4 d.

¶1. (S) Summary and Introduction. Reftel described the BDG's dysfunctional decision-making process and its control by a handful of individuals. Not much has changed since 2003. Loyalty, proximity, and length of service to PM Zia still count for far more than title or institutional position, but for Zia loyalty is a two-way street. Many insiders have a close relationship with her son and heir apparent, Tariq Rahman. The good news is the USG has productive relationships with 12 of the 17 insiders and is working to strengthen relationships with Falu, Syed Iskander, Khondakher Hussain, Mir Nasiruddin, and Motiur Nizami. Moreover, none of those five, except for perhaps Jamaat Islami leader Nizami, could be described as fundamentally hostile to the USG. The bad news is that very few of them have the ability or the interest to pressure Zia's basic outlook on politics or governance. End Summary and Introduction.

#### The Inner Circle

¶2. (S) Zia aside, these people have the ability to influence, but not determine, the outcome of key issues:

A) PM Zia Khaleda Zia: Maligned by critics as insulated, lazy, uneducated, and susceptible to the last word whispered in her ear, she is still clearly the lady in charge. Her pedigree as General Zia's widow, backed by an effective public persona, protects her from BNP dissidents, who believe the party -- and their political futures -- would unravel without her presence at the top. Good political instincts and loyal to her friends. Seems to enjoy the ceremonial aspects of her job the most.

B) Tariq Rahman: Zia's notorious senior son and heir apparent (septel). Takes credit for the BNP's successful 2001 electoral strategy, including its alliance with Jamaat Islami. Reportedly filled/sold up to one-third of the 60 cabinet slots. His many critics say he is ruthless, exceptionally corrupt, inexperienced in politics or business, poorly educated, and unworldly. His admirers say he is dynamic, smart, and represents a new generation of forward, not historically backward, looking leaders. His official BNP title of Senior Joint Secretary masks, ineffectively, his unrivaled authority, save for his mother, in the party. Operates a "shadow government" from his "Hahwa Bhaban" think tank, particularly on clearing government appointments and contracts. Sometimes brutal with his business rivals. In the last year, he boosted his stature with BNP workers with a successful nationwide "listening tour." Emerging as an effective public speaker. Key questions: Will Tariq run for parliament in the next election? (Probably). When would he and his mother try to arrange his elevation to the top? To what extent does his mother control him or concur with his actions? (Reports are mixed.)

C) Haris Chowdhury: PM Zia's Political Secretary and a close Tariq ally. His history as a BNP youth leader, rough demeanor, and his reputed involvement in violent actions against the opposition account for his thuggish reputation. Capable of outlandish statements, but very accessible. While MFA dithered, Chowdhury got a BDG statement issued welcoming the Iraqi election.

D) Salahuddin Qader Chowdhury is officially Zia's Adviser for Parliamentary and Energy Affairs, but he's an all-purpose player. Scion of an important pro-Pakistan political family accused of "war crimes" during the 1971 war of independence, critics vilify him as an alleged rapist, arms smuggler, and killer. Yet, Georgetown educated, he is articulate, personable, and direct. May have the best understanding in the PMO of how Americans think and act. His influence is reflected by his ability to survive three major embarrassments in 2004: his defeat for OIC SYG after an effective Awami League diplomatic campaign against him; his vulgar attack on Sheikh Hasina afterwards; and widespread speculation that he was involved with the Chittagong arms haul shipment. After the latter incident, Kamal Siddiqui and then Foreign Secretary/now Ambassador to U.S. Shamsher Chowdhury predicted his exit from the PMO.

E) Syed Iskander: The PM's brother and link to the military. As a retired army major, he exerts great influence on

military procurement contracts and on senior military appointments. Also an MP and tied by business to Tariq.

F) Home Minister of State Lutfuzzaman Babar: His dynamic management has turned a major political liability for the BNP -- law and order -- into a modest asset, in part by creating and launching the Rapid Action Battalion, arguably Zia's most popular initiative this term with a crime-weary population. A known smuggler, an ally of Tariq, and reportedly pro-JI/pro-Islamist. His influence will grow as his ministry becomes more active in the run-up to the next general election. His health is a big question mark. He regularly goes Thailand for medical treatment and is expected to visit American doctors this summer for unknown ailments.

G) Kamaluddin Siddiqui: The PM's Principal Secretary is loyal to Zia but not her son, whom he views as uncouth and dangerous. Sometimes shockingly candid in talking to us about corruption and BNP politics. His influence stems from his role as Zia's gatekeeper and his bureaucratic ability to get things done. However, he does not have the sway he enjoyed during Zia's first term, when he was a major policy force. Repeatedly over-promises to us. Projects himself as the USG's best friend in the PMO.

H) Finance Minister Saifur Rahman: Dominates economic, development, and financial matters, and is influential on some political issues. Broadly respected for his competence and experience, he has cut Bangladesh's dependence on foreign aid while increasing its forex. Remains wary of FDI. He seems to do nothing to control his son, a BNP MP who is, after Tariq, the most corrupt and abrupt of the leadership offspring. An accountant, not a reformist visionary in the Manmohan Singh model. Rahman apparently miscalculated or got out elbowed by cabinet colleagues when they refused to extend in office the reformist central bank governor. Prone to outlandish public statements denying obvious Bangladesh problems, especially in the context of foreign criticism. Compared to his shortsighted cabinet colleagues, he can look at a broad range of issues in terms of national interest. Rahman is the one minister the Ambassador can use to get important bilateral points to the top.

I) Health Minister Khondakher Musharraf Hussain: Another beneficiary of Zia's loyalty based on their long association. Energy minister in Zia's first administration, corrupt, and involved with coal mining deals with the Chinese, he is a key member of her kitchen cabinet. A geologist, and a former teacher of Tariq Rahman's, before winning his first election to Parliament in 1991, he has Zia's trust, perhaps more than any other minister. Also reported to be exceptionally corrupt. In 2002, he held up a USAID-financed condoms shipment for months looking for a payoff.

Middle Circle  
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13. (S) The next group is important, especially in specific, technical areas.

A) Reaz Rahman: The Foreign Policy Adviser is de facto foreign minister. An old-time BNP stalwart, he is close to Tariq and Babar. Capable, articulate, and direct. Charged with making the SAARC summit in Dhaka a logistical and political success.

C) Mosadek Ali "Falu": The PM's former private secretary, and reputed intimate companion, he is no longer in the inner circle since leaving the PMO to take up his seat in parliament he won in the controversial "festival of fraud" Dhaka 10 by-election in July 2004. Owns a television channel, N-TV, available on cable in the U.S. and the UK, as well as in Bangladesh.

D) NSI DG Brig Mohammed Haider: Became, in Tariq's orbit, a key player soon after his appointment in January as the head of the National Security Intelligence Service, Bangladesh's civilian intelligence agency. Works on many political matters, and deputed to deal with important ambassadors on, for example, the "Tuesday Group's" proposed election conference in November.

E) Civil Aviation State Minister Mir Nasiruddin: Enjoys the PM's favor, in part because he draws on his contacts as a former ambassador to Saudi Arabia to ensure Zia is well treated when she goes to Mecca. She forced her son Tariq and other reluctant BNP leaders like S.Q. Chowdhury to go to Chittagong in a last-ditch, unsuccessful effort to boost his challenge to the Awami League incumbent in the May 9 mayoral election. Not a dynamic campaigner or manager but wily. Kamal Siddiqui privately told us Nasiruddin is holding up the sale to Bangladesh of Boeing 777 jets because he wants a bribe.

F) Industries Minister Motiur Rahman Nizami: Also leader of Jamaat Islami, Nizami has access and stature as the BNP's key

coalition partner, but he does not exert, and does not appear to seek to exert, major influence on policy. His initial opposition to the proposed USD 2.5 billion Tata investment, because in part it was Indian, was circumvented by giving the BDG lead to the dynamic chairman of the Board of Investment. Nizami now supports the project after part of it was slotted for his constituency. His goal is to broaden JI's appeal and turn Bangladesh into a theocratic state in the next 25 years. One son is a graduate of the University of Maine. A son in Manchester reportedly channels local contributions via the NGO Muslim Aid to Bangladeshi madrassahs.

Outer Circle  
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14. (S) These people have access but less influence than their title or reputation might suggest:

A) Law Minister Moudud Ahmed: This politically opportunistic lawyer can be counted on to promote the BDG line, from defending extrajudicial police killings to its request for an umpteenth postponement in separating the judiciary from the executive. In a cabinet short on technocrats, his role in legal matters and drafting legislation is vital. Accessible and often constructive in dealing with us. Was the key player in ramming legislation through parliament last summer on workers' rights in the EPZ's to end the threat of lost GSP benefits for Bangladesh.

B) Local Government Minister/BNP Secretary General Mannan Bhuyian: Marginalized by Tariq's ascendancy and viewed with suspicion by the PMO since BNP dissident MPs last year mooted his name as an alternative leader to Zia. He is the BNP's moderate public face in dealing with the opposition and condemning acts of political violence. A former pro-China communist, he retains close ties to the PRC; his duties include keeping the opposition communist and socialist parties at bay.

C) Foreign Minister Morshed Khan: Owes his position largely to his business wealth and generosity to BNP coffers. An unrespected leader of an unrespected ministry, he's unfairly blamed for Bangladesh's poor international image. Khan, however, did deliver on our Article 98 agreement and getting cabinet support for at least eight UN counter-terrorism conventions. On occasion, he has described to us the BDG's inner workings and plans.

D) Chief of Army Staff LTG Hassan Mashhud Chowdhury: No sign of political ambition or independence, but any army chief in Bangladesh remains a potential player under the right circumstances. Due to retire in June but might be extended. The Awami League claims he is pro-Islamist but he comes across as just unobtrusively pious. Mashhud aims to modernize the military to ensure that Bangladesh can maintain its lucrative role in UN peacekeeping operations.

THOMAS